Ontario

STRENGTHENING LINKS IN THE BROADER PUBLIC SECTOR

A report of the OntarioBuys Working Group on Supply Chain Management

OntarioBuys

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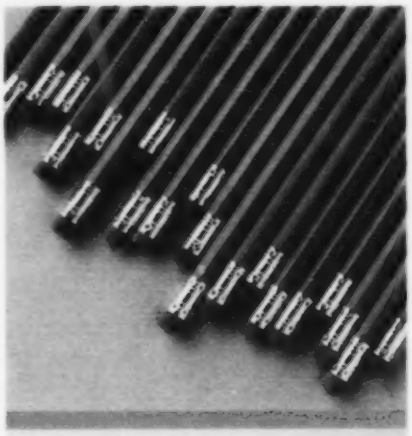
WHY SUPPLY CHAIN MANAGEMENT MATTERS



WHAT IS SUPPLY CHAIN MANAGEMENT?

"Supply chain" refers to the flow of materials, information and financial resources that takes a product from production through to end user. Extensive co-ordination, planning and reporting are required for the proper management of a supply chain, to ensure that materials arrive at the right location at the right time and at the right price.

Good supply chain management improves service quality because whatever a front-line worker needs — a suture, a textbook or a food delivery — is available when needed. It also frees up funds for value-added activities by ensuring that excess goods are not tying up financial resources, workers are not swamped by process and paperwork, and buyers have paid the best price for the most appropriate products.

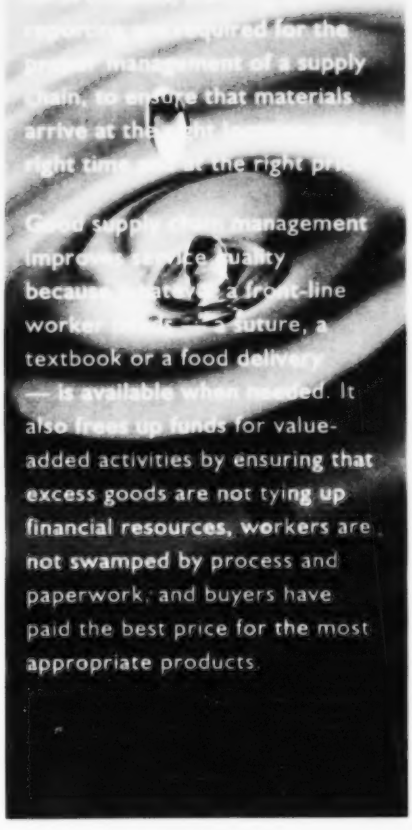
Individual broader public-sector organizations in Ontario — including hospitals, long-term care facilities, schools, colleges and universities — could free up millions of dollars for front-line needs by improving their supply chain processes. Improved supply chain management would also give nurses, doctors, therapists, teachers and other professionals more time to focus on the people who rely on them. The OntarioBuys Working Group (OBWG) is part of a unique and exciting initiative to help broader public-sector (BPS) organizations reap these benefits.

Much is at stake. Roughly 65 cents of every dollar in provincial program spending are in the form of transfer payments to the health, education and postsecondary sectors. Together, organizations such as hospitals, long-term care facilities, schools, universities and colleges provide a wide range of vital services to millions of people across Ontario.

The OBWG knows that these organizations are under increasing pressure to improve their service quality while also making better use of financial resources (see Appendix A). It was for this reason that the Province established the OBWG in 2004. The specific focus of the OntarioBuys initiative, as spelled out in the 2004 Budget, was to help BPS organizations integrate their supply chain management so that they could reinvest the resulting savings in better front-line service. The 2004 Budget announced both the creation of OBWG and a central entity within government to act on OBWG's recommendations. This central entity is formally known as the BPS Supply Chain Secretariat, better recognized as the OntarioBuys team, within the Ministry of Finance.

The potential gains are tremendous. A 2001 Ontario Hospital Association task force study, for example, estimated the potential value of supply chain management improvements in the Ontario hospital sector at more than $300 million. Such improvements can redirect thousands of hours of health worker time towards improved service, including better patient care.

One of the most important aspects of this initiative is that supply chain leading practices have been tried and proven in many other sectors, and the benefits and barriers are well known. In the BPS, the challenge is therefore not to find or invent these practices, but rather to build momentum and ensure they are successfully put in place.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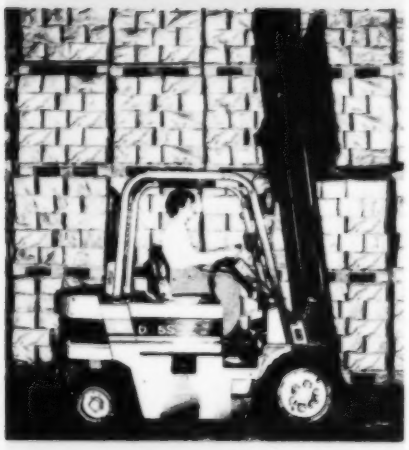
SUPPLY CHAIN EXCELLENCE

Leading practice supply chains are broad and deep; tightly integrated; electronically networked; governed by common standards; and, above all, end-user focused.

To achieve this level of excellence, most BPS organizations in Ontario need to place greater emphasis on:

- integrated product evaluation and selection;
- efficient buying processes and contract administration;
- just-in-time logistics (vs. just-in-case);
- electronic transaction flow (vs. paper-based);
- iSCM information links to the business (e.g., case costing support); and
- integrating with other institutions in their region or sector.



THE OBWG PERSPECTIVE

The OBWG is composed of senior administrators and executives from the public and private sectors with wide experience and expertise in supply chain management — a group of expert practitioners with first-hand knowledge of the benefits of supply chain leading practices. The OBWG has brought together people with a variety of procurement and management backgrounds who have worked together co-operatively. They are in their current positions because they are results oriented, forward thinkers and known to be change agents (see Appendix B).

As a group of people devoted to creating more effective supply chain strategies, OBWG commends the provincial government for having the vision to create OntarioBuys. Equally commendable is the approach that the government has taken to facilitate change instead of imposing it, and to allow organizations to reinvest supply chain savings into front-line services. This approach depends on people in the sectors assuming a leadership role. Encouragingly, many supply chain executives have committed to help OntarioBuys by serving on working groups in specific areas. Projects such as the hospital e-Supply Chain and Ontario Education Co-operative Marketplace have benefited greatly from the input, advice and effort of dedicated working groups drawn from the health care and education sectors, respectively.

The OBWG and OntarioBuys team have met several times since early 2004 to share ideas and collaborate on approaches. Through this process, OBWG has stressed to the OntarioBuys team (and reminded each other) that the goal is more strategic supply chain management. This means focusing on the big picture and driving value through integration of systems, processes, structures, major strategic purchases and leading practices.

Equipped with these insights and approaches, the OntarioBuys team members have travelled across the province, meeting with health care and education administrators, officials, executives, key suppliers, industry associations and supply chain networks. The team has also assessed proposed projects from various groups, most of them for integrated supply chain management (iSCM). Many of these projects are already supported or under active consideration.

Before OntarioBuys was created, many senior administrators, especially in the hospital sector, were already working towards updating supply chain practices for the sake of better front-line service. As a result, they welcomed OntarioBuys enthusiastically. For this initiative to achieve its full potential, it is now critical that BPS organizations recognize and act on the opportunity that OntarioBuys has created. In particular, we strongly encourage executives of all organizations and institutions in the BPS and senior officials of line ministries to add their energy to creating leading-practice integrated supply chain management across Ontario.

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Overview of Accomplishments

In its first year, the OntarioBuys initiative has taken several important steps that will help ensure future accomplishments:

- the government has established an ambitious roadmap for the BPS Supply Chain Secretariat, operating within the Ministry of Finance;
- a compendium of leading practices in integrated supply chain management has been published and is available on the Ministry of Finance website www.ontariobuys.fin.gov.on.ca;
- OntarioBuys is already funding, or is working with, health care organizations that together operate more than half the hospital beds in Ontario. It has also provided funding to develop plans for a web-based purchasing portal for school boards, colleges and universities;
- through consultations and presentations, OntarioBuys has met with almost 200 organizations from the health, education and postsecondary sectors to generate and increase awareness of the OntarioBuys program among the respective institutions; and
- a structured survey of the hospital, postsecondary and public school sectors was carried out.

These achievements represent what might be called the "outputs" of the OntarioBuys initiative for its first year. In OBWG's view, there have been other equally important "outcomes" that may be less tangible but will ultimately help to ensure the success of the initiative. These include the following:

- greater awareness of, and support for, integration in supply chain management among organizations and administrators;
- a higher profile within organizations of those who have been championing improved practices;
- successful transfer of the knowledge of the Working Group to the OntarioBuys team, giving it greater expertise, building its credibility and accelerating decision-making; and
- a growing mutual trust between BPS organizations and the OntarioBuys team.

These outcomes should help OntarioBuys meet the goal set in the 2004 Budget of achieving substantial progress on integrated supply chain management by the fall of 2007.

OntarioBuys

Vision

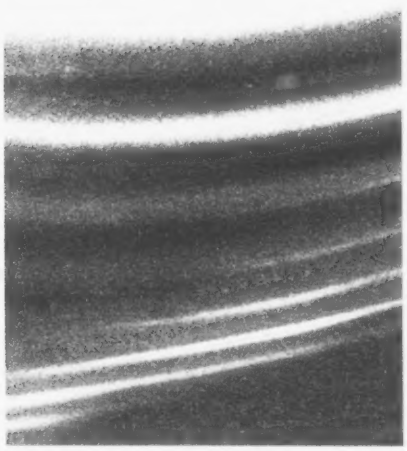
Integrated supply chain management in Ontario's broader public sector

Mission

To facilitate and accelerate the widespread implementation of integrated supply chain management leading practices in Ontario's broader public sector

Values

- Public service.
- Integrity, trust and collaboration.
- Efficiency, effectiveness and responsiveness.



Broadly stated, the major goals of OntarioBuys are to gather and share information about leading supply chain management practices, and to provide advice and funding to help organizations move to integrated supply chain leading practices. While OntarioBuys actively encourages change, the underlying goal is for BPS organizations to take the lead.

This initiative reflects a growing recognition of the importance of promoting good operating practices among organizations that deliver public services. In the past, the focus has largely been on setting the public policy context for the sectors. While this is important, the efficiency of behind-the-scenes activities must also be maximized. Examples of such "back-office functions" include finance and accounting; human resources and payroll; maintenance; supply chain management; and general administrative services. When these services are designed and delivered as seamlessly as possible, there are significant workplace gains for employees — ranging from easier ordering practices, to higher confidence that needed equipment is available, to clean and safe workplaces, to simpler access to benefits.

Transforming back-office practices can also free up time and resources on the front lines, whether for doctors and nurses to treat illnesses, for therapists to heal injuries, or for teachers to focus on students' needs. A key principle behind the OntarioBuys initiative, therefore, is that organizations that adopt cost-saving supply chain practices can then reinvest the savings in improving front-line services as they see fit.

THE STARTING POINT

Some of the efforts that were already underway before OntarioBuys was created include:

- *Healthcare Materials Management Services (HMMS).* This initiative brought together the two major hospitals in London, Ontario, to integrate their supply chain activities and those of other hospitals in that region;
- *Shared Services West (SSW).* This project co-ordinated the supply chain management of four large hospitals located west of Toronto;
- *Toronto-area public school-board supply chain shared service.* Although ultimately superseded by school-board amalgamation, this early initiative built important capacity for integrated supply chain management;
- *Ontario University Purchasing Management Association (OUPMA), University Purchasing Group (UPG)* — which includes the Toronto District School Board and the City of Toronto — as well as other universities with medical schools have, for several years, worked together on regional co-operative purchasing and strategic sourcing in order to leverage their combined spending; and
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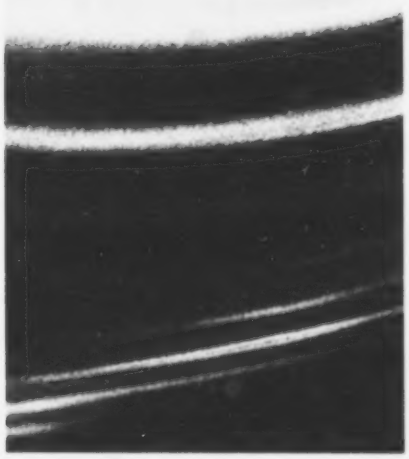

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co-operative that helps to leverage bulk-buying power. A particularly active example is the Catholic School Boards Services Association, a not-for-profit consortium that has helped Ontario school boards save millions of dollars since it was formed in 1998. Although co-operatives are a good first step, in most cases they lack the support and resources required to capture many of the long-term strategic benefits of a comprehensively integrated supply chain.

Looking at existing projects proved to be an excellent starting point for the OntarioBuys team. Several members of the working group had been involved in the above-mentioned initiatives. Talking to veterans of these efforts helped to identify major stumbling blocks as well as relatively straightforward "wins." The proven benefits of iSCM were highly encouraging. For example, HMMS has saved its members over $30 million since 1998 and is currently saving $5 million annually while also improving service levels. The Toronto-area school-board shared service reduced supply chain operating costs for its members by a remarkable 80 per cent between 1996 and 2003.

Overcoming the Obstacles

The benefits of iSCM are so great that an obvious question is: Why isn't this approach more widespread? Numerous factors have tended to stand in its way, although in recent years many organizations have begun to work on overcoming these obstacles:

- the focus is typically on programs, not back-office infrastructure, and incentive structures often strengthen this bias;
- while the benefits of success are not widely publicized, organizations are acutely aware of the barriers that organizational change can bring, whether in terms of human resources or of disrupting long-standing processes and relationships;
- some administrators are skeptical of the process, either because of lack of attention and action in the past or because of concerns that solutions will be imposed by technical experts who fail to understand the organization or sector;
- public sector governance and funding structures are not generally conducive to integrated decision-making; and
- human resource considerations restrict the ability to integrate services.

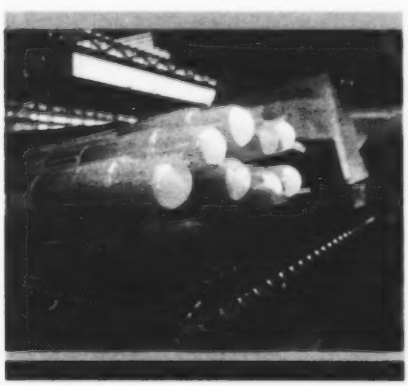
As experienced administrators, OBWG understands how daunting these obstacles appear, but it also recognizes that they can be overcome. Here are some of the ways in which OntarioBuys can help:

- one of its central goals is to highlight the accomplishments of leading-edge organizations, and the leaders within them, that support and champion iSCM;
- through its working groups, it draws on existing leading-practice experience from Ontario and elsewhere, and can show how these ideas have already worked in similar environments; and
- the initiative reflects the recognition by the provincial government that iSCM is a critical tool in improving service while reducing costs — a recognition backed by targeted funding for specific iSCM projects through OntarioBuys.

While many organizations are recognizing the benefits and seeing beyond the obstacles, many challenges remain. Later in this report, potential solutions are discussed in more detail.

HOSPITAL iSCM

The goal of OntarioBuys investments in the hospital sectors is to reduce the roughly 130 hospital supply chain operations now in place to fewer than 15, and to significantly improve supply chain tools and processes. In looking at potential regional projects, two factors are critical: at least 10 institutions should be involved and their operating budgets should total at least $500 million a year. To date, six regional iSCM groups in the health care sector, covering 82 hospitals that together operate 63 per cent of hospital beds in Ontario, are involved in OntarioBuys-supported projects. With respect to tools and processes, a further key investment was funding for an electronic supply chain system (eSC) for six leading health-care organizations serving 46 hospital facilities. OntarioBuys' investment of $9.75 million will allow them to redirect more than $25 million over five years from administrative functions towards patient services and improve the quality of supply chain services provided to doctors, nurses and other hospital staff (see Appendix C).



Sarah Friesen, a member of OBWG, has helped the evolution of supply chain management through her involvement in other bodies, including the Health-care Supply Chain Network. She is hospital co-chair of the network, a national grassroots organization representing key stakeholders.

As General Manager of Shared Healthcare Supply Services, Friesen is responsible for providing purchasing and other supply chain services to Sunnybrook and Women's Health Sciences Centre, Mount Sinai Hospital and the University Health Network, which are members of the Hospital Business Services (HBS) initiative.

For Friesen and her colleagues involved with HBS, OntarioBuys is helping to make better business practices a reality at 14 Toronto-area hospitals.

HBS will bring together the management of non-core business functions for the hospitals, which together represent 29 per cent of all beds in Ontario. Once it is up and running, the organization's responsibilities will include general ledger and accounts receivable, some aspects of human resources and payroll, and fully integrated supply chain management. The cost savings that HBS expects to achieve — all of which will be available for improved patient care — will amount to between $18 million and $28 million annually, most of that from joint purchasing.

In an interview at the Sunnybrook campus, Friesen explained that OntarioBuys played a key role in creating the new organization: "It was just amazing to have been talking about the importance of better supply chain management, and trying to get attention and resources for it, and then to have the Province come along and support it." Without the investment that OntarioBuys made in the project, hospitals would have been hard-pressed to find on their own the significant investment required to fund the initiative.

Friesen, who has an MBA and in-depth experience in purchasing and logistics in both the public and private sectors, has seen a major evolution in hospital supply chain management, largely because of the resources involved. "It used to be just order-taking," she explains. "Today, the intent is to have far more sophisticated information than we have now — to put better information technology in place and do a better job of forecasting needs." The newly renovated central stores area where the interview with

Friesen took place, with its gleaming steel shelving, bar-coded product bins and tidy arrays of inventoried products, shows dramatically what the shift will mean.

With a mix of hospitals under the HBS umbrella, several challenges still lie ahead. Suppliers are eager to get their products into the teaching hospitals where doctor residents will become familiar with them. While many products — such as gauze, gowns, IV sets and solution, and stethoscopes — are standard inventory, specialized units in the larger hospitals may need devices and equipment that are unique to their needs. Physicians with leading-edge practices like to try new and different items.

Riding herd on these divergent demands is key to ensuring that inventory is standard enough to achieve cost savings, while allowing for new advances in technology. Fortunately, that task is easier today than it once was. "We have been able to show administrators how much money we've saved, through using opportunities that the private sector has taken advantage of for years," Friesen explains. Other benefits include fewer errors, better availability of needed items and more time for nurses to spend on patient care. As hospitals focus on reducing costs while improving services, these benefits have significantly raised the profile of supply chain management.

HBS will boost that profile even further. By keeping better track of inventory and use patterns, and forging links with patient care managers, HBS will be able to move quickly, for example, when a change in the standard of care for patients has an impact on which items the health care team needs. It will also be involved in determining which products should be in the inventory mix. Staying in touch with its "customers" — nurses, physicians, occupational therapists and other health-care professionals — is an important priority.

While acknowledging the higher profile of supply chain management in the hospitals, Friesen is gratified that other sectors are also getting the message. "Some of the universities have been in touch...talking about how the hospital sector has done this."

Her conclusion is that "looking at the projects OntarioBuys has identified and facilitated — there's no question in my mind that value will be derived from those, in terms of better services, lower costs and fewer errors."

FOUNDATIONAL PROJECTS

iSCM Leading Practices Compendium

We recognized from the start that making information about leading practices in supply chain management readily available would be key to promoting this initiative. Drawing on OBWG's experiences, thoughts and ideas were contributed to a booklet entitled *Integrated Supply Chain Management: A Leading Practices Compendium.* This publication, which is available on the Ministry of Finance's website and in hard copy from the OntarioBuys team, focuses on 45 top-ranked tools and processes for better integration and management of supply chain activities.

Survey and Consultations

To establish the baseline for supply chain management across all BPS organizations in Ontario, OntarioBuys, with the help of OBWG, interviewed 80 of Ontario's 270 hospitals, school boards, colleges and universities. This work revealed that most BPS organizations in Ontario can benefit from the adoption of current leading practices in supply chain management. However, a lack of resources and, in some cases, lack of understanding and/or support from leaders is hampering adoption of leading practices.

In total, through consultations and presentations, the OntarioBuys team has met with almost 200 organizations, including 145 of

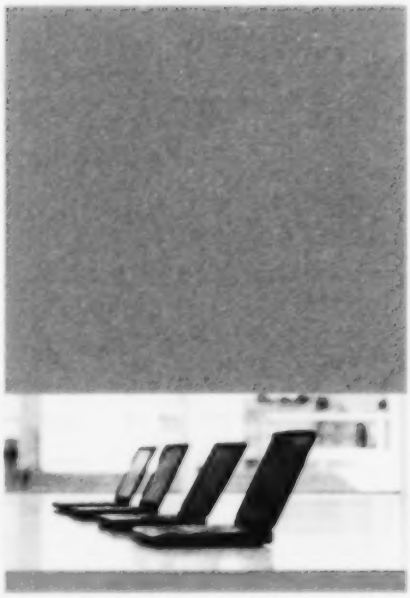
Ontario's 155 hospitals; 18 of its 19 universities; 11 of its 24 community colleges; and 23 of its 72 school boards. OntarioBuys has used these sessions to increase administrators' awareness of the benefits of collaboration and integration and to build OntarioBuys' own knowledge about the various sectors and regions, allowing it to fine-tune its operating strategy.

Ontario Education Co-operative Marketplace (OECM)

As a step towards developing stronger supply chain links within the education sector, OntarioBuys is helping to fund an internet-based e-commerce portal for school boards, colleges and universities. This e-portal will offer a wide range of e-commerce services; provide complete online procurement, from planning to payment; and be open to large and small vendors. The project is currently in the start-up phase. To date, 21 institutions (15 universities, five community colleges and one school board) are involved in the project. As it moves into the build and launch phases, membership will be confirmed and reopened for organizations that have not yet signed on. All organizations that join will reap the benefits of the purchasing power of the entire sector, which includes such large purchasers as the University of Toronto, York University and Toronto District School Board.

The BPS Supply Chain Secretariat

One of the major concerns, in the first year of the initiative, was the need for more resourcing of the OntarioBuys team, especially given the overwhelmingly positive response of the health care sector to the initiative. Although funds were earmarked for projects, internal capacity and overall profile for the initiative limited the team's ability to be fully effective. Furthermore, the initial positive response from one sector, because of its success, made it difficult to reach out to others. Creation of the BPS Supply Chain Secretariat goes a long way towards giving this initiative the stature and resources it deserves. The provincial government has already created its own internal integrated supply chain function through Ontario Shared Services. The Secretariat will further enable OntarioBuys to move into the next phase of this initiative, which is setting benchmarks for effective iSCM and other business functions and measuring and reporting on the progress of sectors.



KEY LESSONS

Along the way, OBWG has learned several important lessons. While some of the outcomes fit within its own experience in managing the change to leading supply chain practices, there were a number of challenges and unexpected developments.

Some of the positive outcomes for the first year included the following:

- the initiative received strong provincial validation by being included in the 2004 and 2005 Budgets, which emphasized the political will behind it;
- this support was reinforced by creating our Working Group and the OntarioBuys team at the Ministry of Finance and including funding for outreach and projects in the Ontario Budget, all of which provided a process and a vehicle to drive the initiative;
- the OntarioBuys team validated the business case for projected savings through analysis and by assessing the health, education and postsecondary supply chain landscape through surveying the sector; and
- OBWG activities and those of the OntarioBuys team increased awareness of and support for iSCM, as evidenced most strongly by the numerous project applications submitted to the team.

Together, these factors and the activities of everyone involved in OntarioBuys — whether from the OBWG, the working groups looking at specific issues and areas, or the OntarioBuys team — helped to create a critical mass that resulted in all sectors thinking about supply chain management.

The OBWG provided a stimulating forum in which to exchange ideas among its members, who are drawn from a range of sectors and backgrounds, and to transfer that knowledge to the OntarioBuys team. We believe, for example, that the leading practices compendium will prove to be a rich and valuable resource for all BPS organizations in Ontario.

We were pleased that our involvement was seen to lend credibility to the OntarioBuys initiative, which helped the team members as they worked to "get the word out" to all sectors and line ministries. Throughout the year, we could see a steady growth in the willingness of organizations to work together on standardizing and integrating their efforts.

We were also gratified at the progress made by the team on the projects outlined in this report. As noted, this was achieved notwithstanding the need for more resources on the team.

THE CHALLENGES

The OBWG believes that with the creation of the BPS Supply Chain Secretariat and the establishment of a dedicated team, the challenges we identified over the past year can be successfully addressed. These included:

The need for a more targeted approach to the BPS beyond the health sector.

Although the health care sector, particularly hospitals, were lined up at the door when OntarioBuys was launched, engaging other sectors has been more difficult. This is partly because the activity in the health care sector has at times overwhelmed the ability of the OntarioBuys team to reach out to other sectors. There is also a need for the BPS Supply Chain Secretariat to build support for the initiative at the highest levels of the school board, college and university communities.

Greater commitment from line ministries and support from key associations.

In line with the first challenge, targeting other sectors will require the active engagement of line ministries and associations such as the Council of Directors of Education and the Ontario Public School Trustees Association along with the Catholic and French school district equivalents. Line ministries must work with OntarioBuys to reinforce its communications efforts, as the Ministry of Health and Long-Term Care and Ontario Hospital Association have already done. A plan to create a "Presidents' Circle" or similar group to involve the highest levels of the university sector should be acted on as soon as possible.

A clearer and more consistent process for submitting/approving proposals.

In its first year, OntarioBuys gathered information about the kinds of projects that would be funded, and wanted to allow organizations as much flexibility as possible in putting forward proposals. This had the unintended effect of making it difficult at times for organizations to understand what was required of them or what the funding criteria were, and for the team to assess and approve projects quickly. With several projects now through the approvals process, the team is working towards a step-by-step approach that makes greater use of templates and sets out criteria clearly. This and the increased resources available to OntarioBuys should accelerate the pace of progress, which OBWG members believed could accelerate as the team climbed the learning curve.

THE ROAD AHEAD

As OBWG reviews the progress made since OntarioBuys was first announced in the 2004 Budget, we can see impressive growth in the capacity for successful transformation of supply chain management. The initiative is now actively embraced in the health care sector, and the OntarioBuys team has learned an enormous amount about leading practices and how to foster their adoption and integration in order to maximize their benefits. The stage is now set for OntarioBuys to move confidently into full execution mode. It is also time to develop the tools that OntarioBuys needs to measure the success of iSCM, including benchmarks and performance measures, to extend its reach to other parts of the BPS, and to determine which other business processes would lend themselves to a transformation that offers benefits similar to those of iSCM.

In line with the Ontario Budget commitment, the formal role of the OBWG has ended. The OBWG recommended to the OntarioBuys team to move beyond its start-up phase and to continue benefiting from the perspectives of the OBWG. The OBWG suggests to the provincial government that there is a continued need for an advisory group of supply chain experts drawn from sectors and backgrounds to act in a similar capacity as the OBWG — to provide ideas and suggestions to the BPS Supply Chain Secretariat.

In closing, the OBWG expresses appreciation to the Ministry of Finance for its farsighted approach to supply chain transformation in Ontario. The sector-led model that it has put in place, supported by a team drawing on the advice and expertise of those working in the area, has been and will continue to be a key factor in the success of this initiative.

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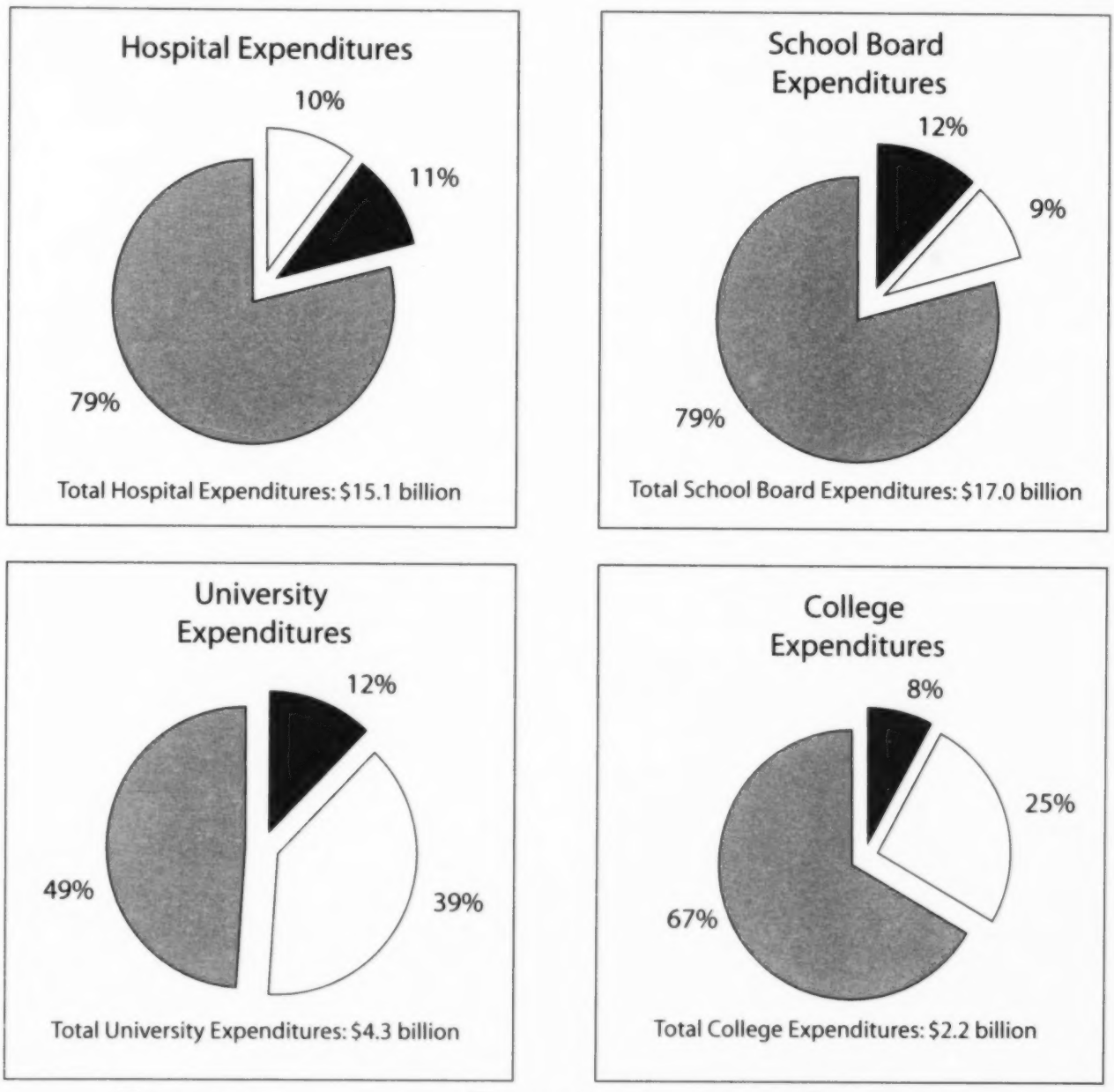
APPENDIX A: TOTAL SECTOR OPERATING EXPENDITURES

In 2004–05, the health, education, and postsecondary sectors comprised expenditures of $38.6 billion, of which purchasing and back office services amounted to $9.6 billion.



Definitions: *Back office* is a term used to describe the parts of an organization dedicated to supporting front line services, and/or internal operation of the organization itself. *Purchases* consist of the purchases of goods and services, including utilities. *Program Support* includes expenditures on the salaries and wages for support activities. *Core Program* is the expenditure for front-line delivery service to the public. The School Board purchasing figure for utilities is for 2003-2004.

APPENDIX B: ONTARIOBUYS WORKING GROUP MEMBERS

MICHAEL COOKE is vice president, academic excellence and student success at George Brown College. From 1993 to 1999, he was dean of the faculty of health sciences and community services; previously, he worked for 15 years in international development and adult education, as executive director of the Ecumenical Forum of Canada, of Canadian Crossroads International and of the Canadian Association for Adult Education. Michael is co-author of *Foundations of Adult Education in Canada* (1999), is completing a doctorate in higher education at the University of Toronto, and received the 2001 Award of Excellence for Leadership from the Association of Canadian Community Colleges.

JOHN DAVIES is vice president, administrative services at Humber College Institute of Technology and Advanced Learning, and holds degrees from the University of Wales, Oxford University, University of Toronto and Brock University. Before joining Humber College, John was a high school teacher, principal, superintendent, and director of the Toronto board of education; the head of the Education Improvement Commission, overseeing the amalgamation of Ontario school boards and the implementation of a school governance structure for francophone Ontarians; and chief of staff for the Effective Schools Task Force, charged with advising the government on improving elementary and secondary school education.

RENATA FAVERIN started her 20-year career at York University as an adviser to first-year students, and subsequently applied her administrative expertise to other areas of the university's operations, leading to her current position as Director of Procurement Services, Finance Division. Renata is also chair of the steering committee of the Ontario Education Co-operative Marketplace, and is actively involved in supply chain process improvements in both capacities. A graduate of Queen's University, she has served on the Canadian Public Procurement Council's board of directors, representing the education sector, and is past president of the Ontario University Purchasing Management Association.

SARAH FRIESEN is general manager of Shared Healthcare Supply Services (SHSS), and leads the team providing purchasing and contract management services to University Health Network, Sunnybrook and Women's College Health Sciences Centre and Mount Sinai Hospital. Shared Healthcare's objectives include optimizing service to its customers through adoption of leading practices, and generating funds for direct patient care by reducing total product cost and improving purchasing efficiencies. Sarah is co-chair of the Healthcare Supply Chain Network; a member of the OntarioBuys Working Group; developed the Healthcare Supply Chain Management course at York University's Schulich School of Business; and also chairs the Equipment and Supply Working Group, which supports the Ontario Health Pandemic Influenza Plan.

KEN GAZDIC is director of materials management at the Hôpital régional de Sudbury Regional Hospital, a multi-site referral centre serving northeastern Ontario. His professional background includes 10 years in public finance, policy and planning at the federal and provincial levels; and five years of private-sector business and management consulting. He is a member of several hospital sector associations and working groups, including the Association for Healthcare Resource and Materials Management (AHRMM), Health Sciences North (HScN) and the Ontario Hospital Association's central negotiating team; and he has served as lead on northeastern Ontario projects concerning Integrated Supply Chain Management (iSCM) and hospital e-Supply chain.

TERRY KYRITSIS, a teacher by training, has worked in the supply management profession for more than 25 years, in positions of increasing scope and responsibility; he has been designated a Certified Public Purchasing Officer by the Universal Public Purchasing Certification Council; and he is currently the assistant comptroller of administrative services for the Toronto District School Board. In 1996, he was instrumental in founding and implementing the Purchasing and Warehousing Co-operative, which consolidated the purchasing and warehousing operations of six school boards, resulting in significant savings and operational efficiencies.

LARRY LOOP, vice president for strategic procurement at Manulife Financial, is responsible for mergers and acquisition initiatives, outsourcing, performance management, regulatory compliance and policy development worldwide. Until recently, he headed the board of the Purchasing Management Association of Canada, a 7,000-member voluntary organization that provides education and certification services for purchasing professionals in Canada. Before joining Manulife, he managed integration of procurement, logistics and accounts payable functions when Toronto's eight public school boards merged in 1996–97; was director of purchasing for the Ontario Government; and was a lead negotiator responsible for reducing interprovincial trade barriers and ensuring compliance with international trade agreements.

DONNA LEE REID, a Certified Professional Purchaser, is a senior manager of purchasing for the Dufferin Peel Catholic District School Board, among the province's largest, with 88,000 students in 139 schools. Previously, she was senior manager, procurement, for Holt Renfrew, and an inventory control/ material manager for a glass-bottling firm in Canada and the United States Donna brought her procurement experience to work with the Provincial Education Improvement Commission; she has served as director and chair of the Purchasing Management Association of Canada; and, as an active member (and former director) of the Ontario Association of School Business Officials, chairs its Pro-D purchasing committee.

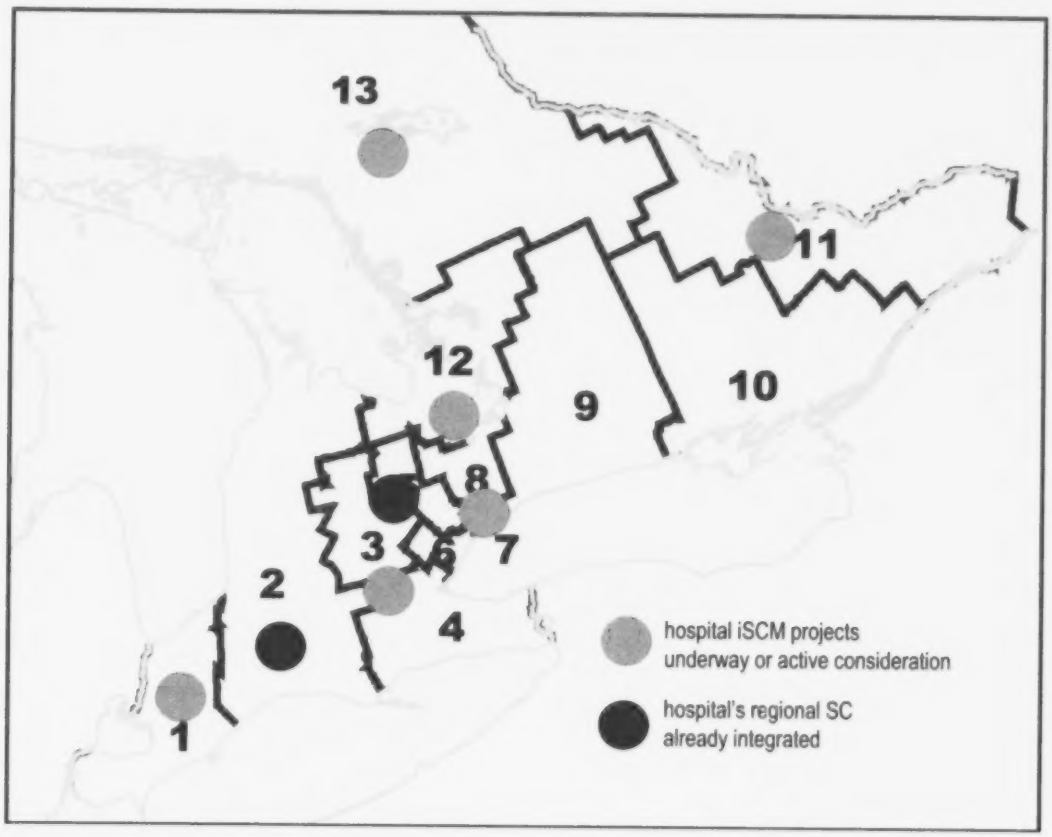
MIKE ROSSER, with more than 25 years' experience in hospital support, is general manager of Healthcare Materials Management Services, the largest fully integrated management service in Ontario, providing purchasing, accounts payable, inventory management, warehousing, and distribution expertise to 27 regional health care sites. Mike is a Certified Professional Purchaser (CPP); has consulted over the years for a number of clients, including the government of Guyana and Sodexho Canada; and heads a provincial e-Supply Chain Project, funded by the Ontario Ministry of Finance, aimed at accelerating the adoption of integrated supply chain management through technology and electronic commerce.

CAROLE WORKMAN, recently retired vice-president for finance and administration, the University of Ottawa, assumed the position of executive director of the Canadian Association of University Business Officers in November 2005; she is also pursuing a Masters in Public Administration at Carleton University. In 12 years at the University of Ottawa, she led an initiative that focused on student needs, empowered employees, and realigned the delivery of services, for which she was presented the YWCA Women of Distinction Award for Innovation in the Workplace; and she has sat on several boards and audit committees, among them the Royal Ottawa Hospital and Ottawa Hydro.

APPENDIX C: CURRENT ONTARIOBUYS PROJECTS

OntarioBuys is currently funding 13 active projects involving over 130 health, education and postsecondary institutions and sites across Ontario. To date, 6 of the 13 respective projects are within the implementation analysis phase, while the rest are full-scale implementation projects. OntarioBuys continues to liaise with key sector stakeholders to facilitate and accelerate the widespread implementation of integrated supply chain management leading practices.

The map below highlights current projects underway within Ontario.



Local Health Integration Networks

1	Erie St. Clair LHIN
2	South West LHIN
3	Waterloo Wellington LHIN
4	Hamilton Niagara Haldimand Brant LHIN
5	Central West LHIN
6	Mississauga Halton LHIN
7	Toronto Central LHIN
8	Central LHIN
9	Central East LHIN
10	South East LHIN
11	Champlain LHIN
12	North Simcoe Muskoka LHIN
13	North East LHIN

Ontario Education Co-operative Marketplace

Member	Institution Represented
John Davies	Humber College
Lorraine Hayes	Trent University
Renata Faverin	York University
Terry Kyritsis	Toronto District School Board
Robert Moore	University of Western Ontario
Abder Sbahi	University of Ottawa
Stephen Whittaker	University of Toronto

Hospital e-Supply Chain

Member	Institution Represented
Robert Bell	Healthcare Supply Chain Network
Wayne Coros	Hospital for Sick Children
Don Cummer	Shared Healthcare Supply Services
Guy Lemay	Ottawa Hospital
Mike Rosser	Healthcare Materials Management Services
Andrew Kosar	Hôpital régional de Sudbury Regional Hospital
Philip Smith	Shared Services West

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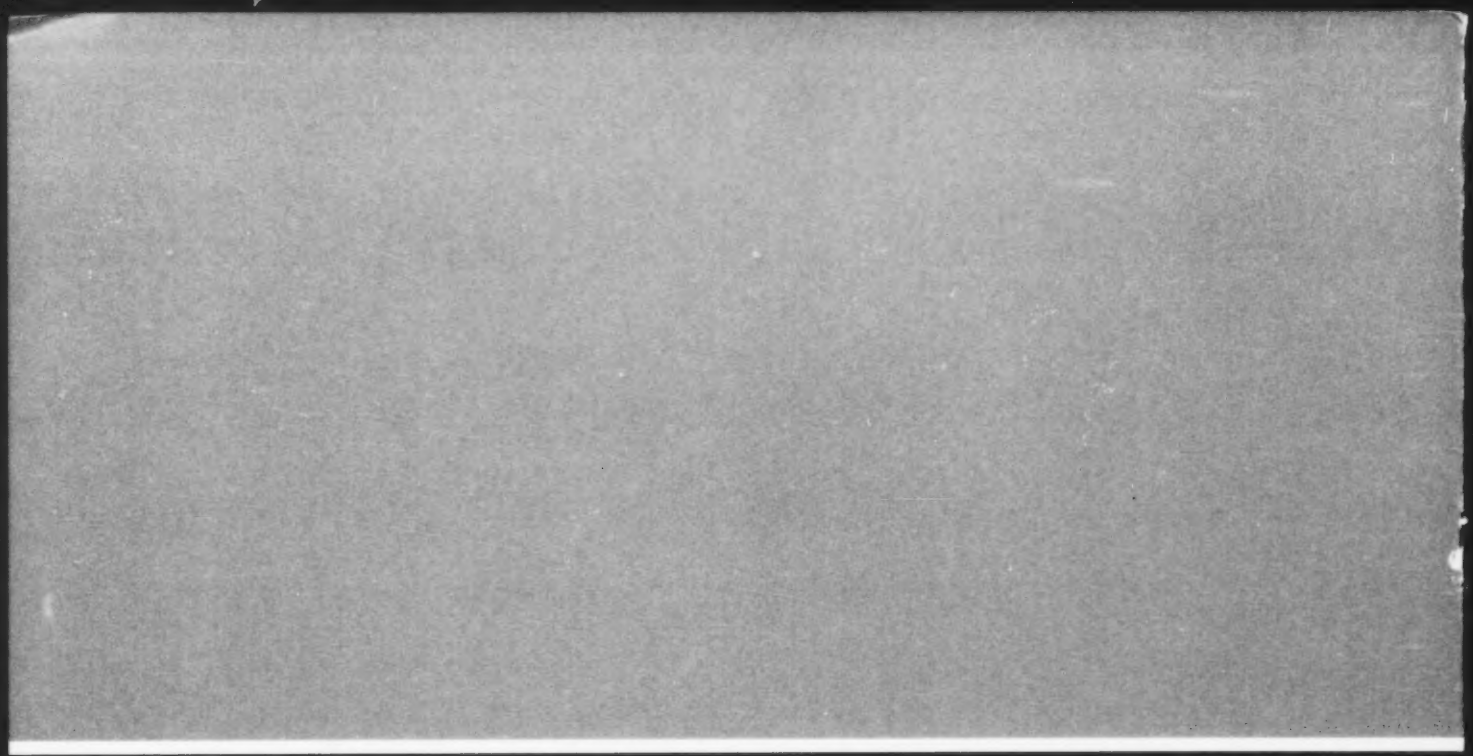

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